



# **Superfund Special Accounts Senior Management Committee**

July 28, 2011



# Agenda

- Using special accounts for ATSDR activities
- Impact of new financial system on special account management and utilization
- Long-term use of special accounts
- Efficient management of special accounts
- Special account topics to research



# **Special Accounts for ATSDR Activities**

See briefing paper “Providing Special Account Funds to ATSDR for Health Assessments Conducted Pursuant to CERCLA § 104(i)”



## Background

- ATSDR is interested in using special account funds to conduct public health assessments at Superfund Alternative Approach (SAA) sites
- SAA sites meet the following criteria:
  - NPL-caliber sites
  - Long-term response action (e.g., remedial action) is anticipated
  - PRP is conducting the work at the site under a SAA agreement



# Pros

- Exemption 5 - Deliberative Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



## Cons

- Exemption 5 - Deliberative Process

[REDACTED]

- Exemption 5 - Attorney-Client Privilege

[REDACTED]

- Exemption 5 - Deliberative Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



# Outstanding Issues

- Should EPA provide special account funds to ATSDR for health assessments at SAA sites?

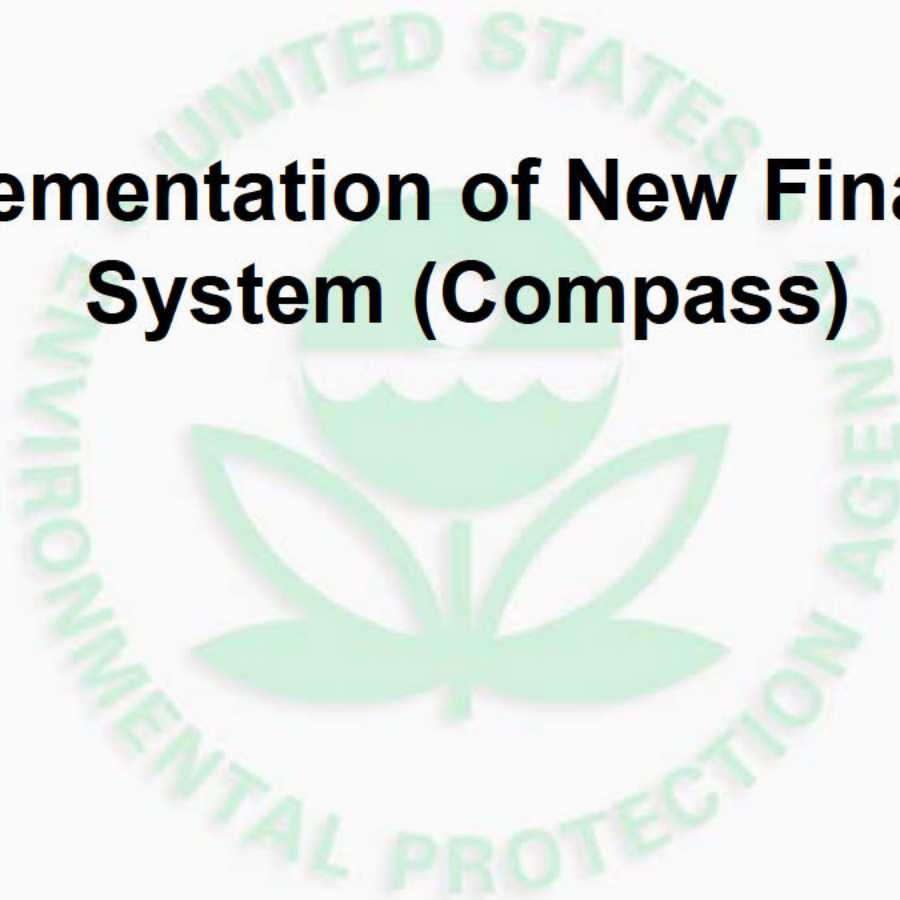
Exemption 5 - Attorney-Client Privilege

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# **Implementation of New Financial System (Compass)**





# Compass

- Go-live October 21, 2011
  - Financial system will be down October 1<sup>st</sup> – October 20<sup>th</sup>
- All Superfund financial data is not being migrated into Compass
  - Migrating ten years of Superfund payment data
  - IFMS data available in a data warehouse
- Concern in Superfund community with accessing historical and current Superfund financial information if data is in 2 different sources



# Special Account Reporting

- Reporting concerns
  - Determining amount available in special accounts
  - Identifying appropriated expenditures for reclassification

Exemption 5 - Deliberative Process

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Exemption 5 - Deliberative Process

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# Special Accounts Interest Database (SAID)

- OTS is working with CFC to develop reports to pull special account information from Compass to support the SAID
- CFC will test and QA data
  - Ensure information is accurate and complete
  - Data converted from IFMS to Compass is not duplicated in the new process
- Available balance information for special accounts will be available through the SAID after go-live
- Security risk assessment for SAID is underway



# Special Account Reclassifications

- Expenditures more than 10 years old will not need to be migrated into Compass
- Exemption 5 - Deliberative Process  
[REDACTED]
- Propose following interim business process for reclassifications in the 1<sup>st</sup> and 2<sup>nd</sup> Quarters of FY 2012
  - No reclassifications will be processed during the 1<sup>st</sup> Quarter
  - CFC will process all KV transactions during the 2<sup>nd</sup> Quarter
  - Once the proposed Superfund Data Mart is available, OFM will work with staff to develop a new business process for reclassifications

# **Long-term Planning of Special Account Funds**





# Long-term Planning of SA Funds

- Long-term uses for SA funds include:
  - Five year reviews
  - Payroll and site travel
  - Operation and maintenance
  - Protectiveness contingencies
    - Long-term effectiveness of remedies
    - Additional contamination found at the site



## Long-term Planning Estimates

	Total Planned	Account High	Account Low	Account Average	# Accounts
Outyear FYRs	\$22.3M	Exemption 5 - Deliberative Process			140
Intramural Use	\$60.9M	Exemption 5 - Deliberative Process			360
Protectiveness Contingencies	\$9.9M	Exemption 5 - Deliberative Process			4
Other Plans	\$68.9M	Exemption 5 - Deliberative Process			142

*As of March 30, 2011 from CERCLIS*



# Long-term Planned Obligations in CERCLIS

BFY	Planned Obligations in CERCLIS by Action	Planned Obligations Total
>2021	O&M PRP RA PRP LR GW Monitoring Post-ROD Records Management State Support CA <u>Other</u> Total	\$40.7M \$11.2M \$6.9M \$2.8M \$1.6M \$503.3K <u>\$144.0K</u> \$63.8M
>2031	O&M PRP LR Records Management State Support CA <u>Other</u> Total	\$20.9M \$2.6M \$1.2M \$225.0K <u>\$154.0K</u> \$25.1M
>2041	O&M <u>Records Management</u> Total	\$10.1M <u>\$928.0K</u> \$11.1M



## Long-term Planning

- Should we establish a general time frame for planning to use funds in special accounts?
  - 10, 20, 30 years from current planning fiscal year?
  - 10, 20, 30 years from account inception or deposit of funds?
  - 5, 10, 15 years after RA-Complete, CC, or Deletion?
  - Removal accounts?
  - Other non-NPL accounts?



# Long-term Planning: Proposal

- Exemption 5 - Deliberative Process

- Next steps: Discuss with regional Superfund Division Directors

# **Efficient Management of Special Accounts**





## Efficient Management of SAs

Available Balance	No. of		Sum of Available Balance		Sum of Obligations	
	Accounts					
Greater than \$10 Million	33	3%	\$984,481,893	55%	\$459,532,561	22%
Between \$1M and \$10 Million	214	22%	\$637,556,927	36%	\$844,930,534	41%
Between \$500K and \$1 Million	136	14%	\$96,082,184	5%	\$160,724,572	8%
Between \$250K and \$500K	135	14%	\$47,887,767	3%	\$70,024,601	3%
Between \$10K and \$250K	359	37%	\$35,699,351	2%	\$255,862,942	13%
Less than \$10K	100	10%	(\$11,432,784)	-1%	\$254,768,025	12%
<b>Total</b>	<b>977</b>		<b>\$1,790,275,337</b>		<b>\$2,045,843,234</b>	

- FY 2012 House Appropriation Committee mark-up includes language on special accounts
  - Expects EPA will accelerate obligation of funds in 2012 to address risks posed by contamination at these sites



## Efficient Management of SAs

- Current regional responsibilities for managing open SAs include:
  - Plan for the use of funds within 3 months of establishing account.
  - Review and update plans for using SAs for work planning data pulls (July and October) and mid-years (March).
    - Reviews include coordinating with RPMs, OSCs, management, enforcement/legal staff, and finance staff regarding future use of funds available in accounts.
  - Ensure plans entered in CERCLIS are being completed (i.e., planned obligations become actual obligations).
  - Prepare notifications and financial transactions for reclassifications, transfers to the Trust Fund, and account closures.



## Efficient Management of SAs

- Current HQ responsibilities for managing open SAs include:
  - Establish and close accounts.
  - Calculate and apply interest to all open SAs.
  - Process financial transactions to transfer SA funds to the Trust Fund.
  - Process reclassifications upon request.
  - Review SAs for negative fund code and account available balances.
  - Ensure reporting tools are available and accurate.
  - Review plans for all open SAs after March, July, and October data updates.
  - Report to the SA Senior Management Committee on plans and utilization of SAs.



## Possible Ways to More Efficiently Manage SAs

- Establishing/Closing SAs
  - Exemption 5 - Deliberative Process
- Management & Planning SAs
  - Exemption 5 - Deliberative Process
  - Review only certain accounts, such as:
    - Greater than \$1M available
    - \$0 disbursed more than 4 years old
    - Current FY planned obligations, reclassifications and transfers
    - Unassigned balances > \$100K
- Reduce planning updates/review to twice a year
  - Currently update and review planning data three times a year<sub>23</sub>



## Efficient Management of SAs: Proposal

- Reduce planning cycles to twice a year:
  - Work planning reviews October – December
  - Mid-year reviews March – May
  - Reduce work for FY 2012 summer work planning exercise underway
- HQ review to focus only on highest risk accounts, such as:
  - >\$1 million available
  - Contingency or Other plans
  - \$0 disbursed/low utilization accounts more than 2 years old
  - Current FY planned obligations, reclassifications, transfers, and closures
  - Spot check sample of accounts with less than \$1 million available
- Evaluate current practices for establishing and depositing funds in accounts

# **Special Account Topics to Research**





## Special Account Future Topics

- Background paper “Special Account Topics to Research” has additional information
- Proposed Topics
  - Special Account Establishment and Deposits
  - Providing Special Account Funds to States
- In addition, SASMC will need to address recommendations in GAO report when issued and any Compass implementation issues

# **Review Action Items/Next Steps**

